

Tax Free Investment Plan

Terms and conditions

1. About these terms and conditions

1.1 What is the PSG Wealth Tax Free Investment Plan?

The PSG Wealth Tax Free Investment Plan is a linked investment vehicle that allows you to generate tax free capital growth and allows you to control:

- **How much you invest.** It can be a lump sum or a recurring contribution. However, the amount you can invest per tax year and over your lifetime is limited by legislation.
- **When you invest.** You may invest whenever it suits you.
- **How long you stay invested.** You can withdraw your investment at any point.
- **What funds you invest in.** You can choose any combination of unit trusts and can switch between them easily and cost effectively at any point during the investment period.

What are linked investments?

The PSG Wealth Tax Free Investment Plan is a linked investment. This means that the value of your investment is linked to the market value of the underlying investments chosen and is not guaranteed.

1.2 Who are the different role players?

PSG Wealth Holdings (Pty) Ltd is a division of PSG Konsult Limited and is the brand under which this product is marketed.

PSG Invest (Pty) Ltd is the administrator of your investment. PSG Invest packages, distributes, and administers a broad range of unit trust. We are also the contact point between you and the management companies. When we refer to 'we' in this investment, we mean PSG Invest. PSG Invest is an authorised financial services provider in terms of the Financial Advisory and Intermediary Services Act, FSP no. 563. Registration number 1999/014522/07.

PSG Invest Nominees (Pty) Ltd is the company that holds your investments in safe custody on your behalf. This means that your units in the unit trust will be registered in the name of the nominee company. PSG Invest Nominees is approved by the Financial Sector Conduct Authority.

A management company is a company that launches and manages unit trusts. The management company is responsible for managing the unit trust, appointing asset managers, appointing trustees, and marketing the fund to investors. PSG Collective Investments (RF) Limited is an example of a management company.

Your financial adviser You can appoint a financial adviser. Your financial adviser may provide you with financial and product advice or other intermediary services. You can also authorise your financial adviser by means of a signed investment mandate to make investment decisions on your behalf without getting any further authorisation from you. In order to perform these functions your financial adviser must be an authorised representative of a financial services provider which must hold a Category I licence (advice and intermediary services), or a Category II licence (discretionary investment services), or both.

1.3 Who are the parties to our agreement?

The parties to our agreement are:

- You
- PSG Invest
- PSG Invest Nominees

1.4 What else is part of our agreement?

Our agreement consists of:

- These terms and conditions
- Your application form (including any supporting documents)
- Your investment schedule (a summary of the information you have provided as well as the details relating to your investment)
- The rules of the relevant management company(ies)
- Any valid instructions from you or your financial adviser
- PSG Konsult Website and Online Transactions Terms and Conditions (available at www.psg.co.za)
- The PSG Konsult Group Privacy Policy (available at www.psg.co.za)

1.5 What about changes to the terms and conditions?

- 1.5.1 You will always be notified in writing about any material changes to the terms and conditions. Your investment is always subject to the most recent set of terms and conditions, available at www.psg.co.za.
- 1.5.2 Minimum and maximum investment amounts, what fees are charged, how they are calculated, and how frequently they are payable will change from time to time.
- 1.5.3 We may also be forced to make changes to the terms and conditions due to changes in financial or tax legislation, in business practices, in the rules prescribed by regulatory authorities, and how the legislation and rules are interpreted.
- 1.5.4 Contact Client Services on 0860 774 774 or ask your financial adviser for the most recent terms and conditions.

1.6 The duration of our agreement

The terms and conditions only become binding once we have accepted your application and your initial investment has been received and cleared. Our agreement ends when the total value of your investment, less fees and charges, is paid out.

1.7 South African law applies

South African law applies to these terms and conditions. The most important laws being FAIS, FICA, CISCA, the Income Tax Act, and the VAT Act.

2. Your information

2.1 Your privacy is important to us

We collect your personal information to provide you with our products and services. The type of personal information we collect will depend on the purpose for which it is collected and used. We will only collect information that we need to provide you with the product and services you have selected. We may also use your information to help us trace you should your investment be classified as unclaimed.

Our [Group Privacy Policy](#) is also part of this agreement. It explains why we use your personal information, how we collect it, what sources we use, when we must disclose your information, and how you can get access to your information.

2.2 Make sure that your information is accurate and up to date

- 2.2.1 You must ensure that all the information you provide during the application process and subsequent transactions is complete, true, and accurate. You must update your information immediately if it changes. Depending on the change, we may require supporting documentation.

Incorrect information can have serious consequences

- 2.2.2 If you withhold information or provide inaccurate information, we may declare the agreement void.
- 2.2.3 We are not responsible for any delays or the incorrect processing of instructions caused by inaccurate information.

- 2.2.4 If you fail to provide information in your application form, or when you send us an instruction, we may collect the information from another appointed financial services provider, a financial adviser, or the financial adviser's administrative assistant.

2.3 Why we ask for your fica documents

The Financial Intelligence Centre Act (FICA) requires that financial services providers must assist in combatting all criminal activities, including money laundering and financing terrorism. This means that we must collect information and documentation that allow us to know our investors.

When you apply, your application and the supporting documents are verified and screened, and applicants are grouped in risk categories. Depending on the risk category you fall into you may be asked to submit further documentation (e.g. bank statements) or your application may be denied. This process will be repeated from time to time during our relationship.

2.4 We have to identify PIPs Or PPOs

PIPs and PPOs are or were local prominent influential people or foreign prominent public officials. If the investor is a family member, close associate, or a prominent member of the same political party, organisation, or union as a PIP or PPO, the investor is also considered to be a PIP or PPO.

Examples of PIPs or PPOs:

- Heads of state or their deputies
- Cabinet ministers or their deputies
- Premiers
- Judges
- Political and military leaders
- Ambassadors or high commissioners of foreign governments
- Executives or senior management of state-owned entities
- Executives or senior management of companies that do business with governments
- Members of ruling or royal families
- Municipal executive mayors or managers
- Executives or heads of international organisations based in South Africa

3. How to invest

3.1 Choose your unit trust

- 3.1.1 You can choose unit trusts that meet your requirements and risk profile from the Core Funds List available on our website.
- 3.1.2 Unit trusts are classified in classes that have varying fee structures.

We cannot guarantee availability

- 3.1.3 We cannot guarantee the availability of all the listed unit trusts. Availability may depend on the discretion of the management company.
- 3.1.4 PSG may remove or add unit trusts to the list. We will notify you if a unit trust is no longer available.

3.2 Examine the unit trust prices

- 3.2.1 The price of a unit of a unit trust is calculated daily by dividing the total value of all assets in the unit trust (with income accrual, but less the permitted deductions) by the number of units.
- 3.2.2 Prices are calculated **at the close of each business day** and become available the next day.

We cannot guarantee the price or market value

- 3.2.3 Prices cannot be guaranteed or determined in advance and may fluctuate during the course of a day. This also means that the prices quoted in the media, or even on your statement, may no longer be up to date even though the information was accurate at the time.
- 3.2.4 Outdated information from third parties may affect the accuracy of your statement.
- 3.2.5 Always ensure that you confirm the latest figures before you make any decisions regarding your investment.

3.3 Manage your contribution

In your application form you indicated whether you will be investing by lump sum (with or without phase-in), recurring investment, or both. You are entitled to stop contributing to the investment at any time. The contributions you have made will remain invested until you instruct us to sell your units.

It is your responsibility to ensure that you stay within the annual and lifetime contribution limits.

3.4 Reinvest your income distributions

If there is an income distribution within a unit trust, it will automatically be reinvested.

3.5 Change your investment

3.5.1 Switching between unit trusts

You can switch between unit trusts on the Tax Free Investment Plan Fund List. This involves the sale of your units in your current unit trust and purchasing units in another unit trust.

This may not happen on the same day and we cannot guarantee that the prices will remain the same. It normally takes a **maximum of two business days** to switch between the unit trusts of the same management company and a **maximum of four business days** to switch between the unit trusts of different management companies.

In the process of effecting the switch, we may have to hold your funds. No interest will be payable to you during this period if we complete the switch this time.

3.5.2 Transferring investments between service providers. You may transfer part of or all of your investment from one service provider to another at any time except **during the last 10 business days of the tax year.**

3.5.3 Making a full or partial withdrawal

- 3.5.3.1 A withdrawal from your investment does not increase your annual or lifetime contribution limits.
- 3.5.3.2 You can make a full or partial withdrawal from your investment by selling units in your unit trust(s). You can also request monthly, quarterly, six-monthly, or annual recurring withdrawals from your investment.
- 3.5.3.3 If the market value of your investment falls below the minimum investment amount(s) that apply at the time of the transaction, we may ask you to withdraw the remaining balance or to switch it to another unit trust.
- 3.5.3.4 Recurring withdrawals are permitted on any day of the month. If that day is not a business day, the payment will take place on the preceding business day.
- 3.5.3.5 Payments for withdrawals will only be made to you and we cannot allow any payments to a third party.
- 3.5.3.6 You will be paid within seven business days from the date on which we received your withdrawal instruction, unless the management company informs us that your instruction must be ring-fenced. Ring-fencing is explained in 3.5.8.
- 3.5.3.7 Payments will be made in South African Rand and made into your bank account via electronic transfer.
- 3.5.3.8 You may receive multiple payments, because proceeds for unit sales are paid out per unit trust.

3.5.4 Transferring ownership. You cannot transfer ownership of your investment to another person or entity.

3.5.5 Ceding your investment as security. Tax free investments cannot be ceded.

3.5.6 Selling more than 95% of investment. If you want to sell units with a Rand value of more than 95% of the market value of the investment at the time when you instruct us to do so, we will require that you reduce the amount to an amount below 95%.

3.5.7 Choosing another unit trust if your unit trust is no longer available. If one of the unit trusts you have chosen is no longer available, we will notify you in writing and ask you to choose an alternative unit trust within a specific timeframe.

If you do not select an alternative unit trust within 30 business days, we will automatically switch your investment to the PSG Money Market Fund.

3.5.8 Ring-fencing your investment. A sale of units in a unit trust may be delayed by the management company. This is referred to as ring-fencing. It becomes necessary if the scale of the transaction will result in the sale of the underlying investment at a price that will have a negative impact on other investors. If your transaction has been ring-fenced, you will not be able to withdraw your investment until we have been notified by the management company that the constraints have been lifted.

The price at the time of the transaction will be applied, not the price on the date of the original instruction. We are not responsible for any losses that you may suffer because of ring-fencing (e.g. fluctuations in the price or other losses relating to the delay of the transaction).

3.5.9 Deciding on residual balances. If funds remain invested in a unit trust after a 100% switch or withdrawal (e.g. if a dividend is declared after the switch or withdrawal, or if units have been reserved for another transaction at the time we receive your instruction), we will not automatically switch or withdraw this residual balance. You have to instruct us to switch or withdraw the residual balance.

3.5.10 Participating in a ballot. From time to time, the management company will notify us that a vote regarding the management of a unit trust has been scheduled. We will notify you of any votes that affect your investment. We will not vote on your behalf.

3.6 Correcting errors

3.6.1 You have **10 business days** after receiving confirmation of your investment or a change to your investment, or any statement from us, to correct any errors.

What happens after 10 business days?

- 3.6.2 If you fail to correct the error within the **10 business-day period**, changes to your investment can only be made by selling the units or switching unit trusts at the market value at that time.
- 3.6.3 The **10 business-day period** does not apply if the error was a result of our negligence. If this is the case, we will put you in the position you would have been had we not made the mistake. However, by law, we are not required to pay interest in addition to the restoration.
- 3.6.4 PSG is not responsible for errors made by the management company or your financial adviser. However, you must still bring these errors to our attention in **10 business days** so that we can try to correct them.

4. Fees

4.1 Information about fees

4.1.1 In addition to the adviser fees, which you have agreed directly with your financial adviser, PSG will charge the following fees:

Administration fees	Fees (excl. VAT)	
Ongoing administration fee (for investments with a total value less than R50 000)	PSG funds	Other funds
<R50 000	1.00%	1.00%
Ongoing administration fee (for investments with a total value greater than R50 000)	PSG funds	Other funds
First R1 500 000	0.304%	0.500%
Next R4 500 000	0.200%	0.200%
Above R6 000 000	0.100%	0.100%
The sliding scales above apply to the total market value across all platform investments linked to your investor number assigned by PSG Wealth.		

Transaction fees	Fees (excl. VAT)
Switching fee	None
Debit order returning fee	None

You can also calculate the effective annual cost of your investment using the calculator on our website (www.psg.co.za). For more detailed information regarding EAC calculations please refer to the EAC Standard on the ASISA website.

4.1.2 The ongoing administration fee is calculated daily based on the value of your investment.

4.1.3 If a rebate is received from the management company on a unit trust, PSG will deduct it from the ongoing administration fee.

4.2 Fees may change

4.2.1 We may adjust fees from time to time as a result of changes in the regulatory or business environment.

4.2.2 We will give **three months'** written notice when new or additional fees or charges are added; the applicable fee percentage is increased; and if there is a change in the method of calculating any fee which leads to an increase in fees.

4.3 How the fees will be paid

- 4.3.1 We deduct fees from your investment. All ongoing fees are deducted monthly. This deduction will be proportional to the size of your investment, and will be made proportionally from the funds in which you have invested.
- 4.3.2 Alternatively, you can select a preferred fee fund. We will deduct all ongoing investment administration fees and financial adviser fees from this fund. If the balance in your preferred fee fund is insufficient, we will deduct the fees from the funds to which they relate. If the balances in those funds are also insufficient, we will divide the fees between the remaining funds.

5. What happens when you die

- 5.1 On notification of your death your investment will not be switched to cash but will remain invested.
- 5.2 This investment doesn't allow you to nominate beneficiaries.
- 5.3 PSG will only act on instructions received from the executor of your estate.
- 5.4 For more information on the process that will be followed, please read the PSG Wealth Death Claim Pack, available at www.psg.co.za.

6. Tax

- 6.1 The growth of your investment is not taxable if the amount you invest stays within legislative limits. It is your responsibility to manage your contributions.
 - 6.2 We will not accept contributions that exceed the limits.
 - 6.3 If you have tax free investments with more than one service provider, you will be taxed by the South African Revenue Service at 40% on any amounts that exceed the legislative limits.
- 6.4 We cannot give any tax advice. We encourage you to obtain advice from a tax specialist before you invest.
 - 6.5 Tax legislation changes from time to time. We are not responsible for any loss that you may suffer because of such changes.

7. Rules that apply when you give us instructions

7.1 How to give us instructions

- 7.1.1 You, or a third party that you authorised in writing, must instruct us in writing. You must provide us with a copy of the written authorisation (i.e. power of attorney).
- 7.1.2 Your financial adviser may also submit instructions. This is discussed in the section that follows.
- 7.1.3 You can send instructions to us using our instruction forms (such as our secure, electronic instruction forms). In certain specific circumstances, we accept email instructions. You will receive written confirmation of your instruction within **one business day** of giving it. You must carefully monitor these communications and ensure that they are accurate and that you have authorised them.

Your username and password are how we identify you and it is your responsibility to keep them safe

- 7.1.4 When we receive instructions from the account using your username and password, we will assume that you authorised those instructions.
- 7.1.5 Online transactions are subject to the PSG Konsult Website and Online Transactions Terms and Conditions (available at www.psg.co.za). It is your responsibility to ensure that both your username and password are secure, that you never share them with third parties (including your financial adviser), and that you monitor activity on all the products and services you have selected for unauthorised access. You must notify us immediately if you suspect or become aware of any unauthorised use of your username and password, or if you did not receive an accurate confirmation of your instruction within **one business day** of giving it.
- 7.1.6 We are not responsible for any losses you may suffer because you did not adhere to the Website and Online Transactions Terms and Conditions. If you disclose your username or password to any third party, we are entitled to terminate our agreement with you.
- 7.1.7 We cannot guarantee that the website and the electronic services will be available at all times. They may be unavailable during periods of peak demand, system upgrades, or for other reasons. We are not liable if you are unable to access your account or to give us instructions.
- 7.1.8 Please make sure that you complete all forms correctly. It is particularly important that you specify
- your PSG Invest username,
 - the applicable investment option, and
 - the correct account for payment by debit order.
- 7.1.9 If you completed any form incorrectly, this may result in a delay in processing your instruction or even lead to an incorrect investment. We do not accept any liability for any losses these delays or errors may cause.

7.2 Requirements for a valid instruction

Whether an instruction is accepted or not will depend on:

- our rules and those of the relevant management company,
- any applicable legislation,
- whether the unit trust you want to invest in is available,
- whether you have met requirements such as the minimum investment amount, and
- whether our processing requirements have been met, (e.g. whether you have completed the correct form, provided the correct documentation, and adhered to the relevant time periods and cut-off times).

7.3 Time periods and cut-off times

7.3.1 Buying, selling, and switching

All **requests relating to transactions** must reach us by **10h30** on the day on which the request must be executed. Requests relating to the **PSG Money Market Fund** must be received before **08h30**.

7.3.2 Debit orders

The **instruction to contribute via debit order** must reach us **four business days** before the date that you selected for the debit order. If the instruction is received after the cut-off time, it will only be processed in the next month.

7.3.3 Phase-in

Phase-in instructions must reach us by **08h30**. If the instruction is received after the cut-off time, we will only process it on the next business day.

7.3.4 Recurring withdrawals

Instructions for recurring withdrawals must reach us by **10h30, seven business days before** the required date of payment. Requests relating to the **PSG Money Market Fund** must be received before **08h30**.

7.4 Maximum processing times

How long it takes to process your instruction depends on the type of transaction.

Transaction	Maximum processing time after receiving your instruction
New investments	
Investing in a unit trust	1 business day
Switches	
Switching between the unit trusts of the same management company	2 business days
Switching between the unit trusts of different management companies	4 business days
Withdrawals	
Withdrawals from one unit trust	<p>PSG Money Market Fund: 1 business day.</p> <p>In most other cases: 2 business days.</p> <p>Withdrawals from Voluntary Investment Plan and Tax Free Investment Plan investments will only be allowed after the clearance period (21 days for direct deposits or 45 days for debit orders).</p>

7.5 Processing delays

We will do our best to ensure that your instructions are carried out within a reasonable time. However, often the selected investment may be managed by a third party that can cause a delay and is outside our control. Similarly, unforeseen events that cause widespread disruption can also cause delays.

We are not responsible for any loss you may suffer if we do not make payment in time for a new investment option or any other lost opportunity.

7.6 Instructions will be confirmed

We will confirm all instructions in writing.

8. Appoint a financial adviser

8.1 Appointing a financial adviser

- 8.1.1 You could benefit from appointing a financial adviser who can give you ongoing investment advice for this investment.
- 8.1.2 Your financial adviser must be registered in terms of the Financial Advisory and Intermediary Services (FAIS) Act and with us.
- 8.1.3 We are not responsible for any loss or damages caused by your financial adviser not being appropriately licenced.

8.2 The fais authority of your financial adviser

- 8.2.1 Only Category II financial advisers can instruct us on your behalf. We will follow their investment instructions in line with the signed client mandate, and our application form.
- 8.2.2 If you appoint a Category II financial adviser, the following will apply:
 - You have agreed to specific contractual obligations in your mandate with your financial adviser.
 - If you send us an instruction directly, and your adviser has discretion over that specific transaction, then we can only process it if your financial adviser has agreed to it.
 - We are not responsible for any loss or damages because of a delay in processing your direct instructions.

You are also responsible to ensure that your financial adviser is authorised

- 8.2.3 We will verify that the financial adviser is an authorised representative of a financial services provider which holds the appropriate licence(s), but you are also responsible to determine whether your financial adviser has authorisation. You can contact the Financial Sector Conduct Authority at 0800 20 37 22.
- 8.2.4 Financial services providers will let us know if the financial adviser is not an authorised representative anymore.
- 8.2.5 However, it is possible that we may receive instructions from financial advisers who are no longer authorised, but that we have not yet been notified of this change. Under these circumstances, we are not responsible for any loss you may suffer as a result of the unauthorised instruction.

8.3 Financial adviser fees

You and your adviser must agree on the adviser fee. If there are any disputes about the adviser fee, please contact your financial adviser. The adviser fee will be deducted from your investment. If it is an annual fee, it will be deducted in monthly instalments.

8.4 Changing financial advisers

You may decide to appoint, remove, or change your financial adviser at any stage and inform us of your decision in writing. We will inform the financial adviser of the change.

9. Our responsibilities

9.1 What are we responsible for?

- 9.1.1 Providing you with statements
- 9.1.2 Deducting relevant tax
- 9.1.3 Providing you with a tax certificate annually
- 9.1.4 Having indemnity and fidelity insurance cover in place. This covers us against fraud, negligence, and dishonest behaviour
- 9.1.5 If your investment is not claimed within a reasonable period of time, we may classify it as unclaimed. Any reasonable costs associated with the tracing process will be deducted from the value your investment.

9.2 Where does our responsibility end?

This section describes what we are not responsible for. However, there are other exclusions of liability in relevant sections in other parts of this document. Please read all the terms carefully.

9.2.1 We do not give financial advice. We are not authorised to give any financial advice. This means that we are not responsible for the consequences of your investment decisions, specifically:

- You must ensure that you are aware of all the financial and tax implications of your investment decisions.
- You must appoint a financial adviser (who is a representative of an authorised financial services provider) to assist you in your investment decisions. We are not responsible for
 - the quality of the financial advice,
 - losses, delays, or the rejection of your application that may occur if your financial adviser is not a representative of an authorised financial services provider or if he or she acts beyond the scope of his or her licence, and
 - unauthorised instructions given by your financial adviser.
- You should continually monitor your investments to ensure that they meet your needs.
- We will give you access to information about unit trusts, financial market data, news, research, and opinions that we obtained from various sources (e.g. investment providers, financial market information services, financial publishers). You should treat this information with care. Neither we, nor the third-party sources are giving financial advice and will not accept responsibility if the information is inaccurate, incorrect, or out of date.

9.2.2 The management company. We are not responsible for any errors that the management company makes.

9.2.3 Investments are inherently risky. Investments are inherently risky due to the uncertainty of market fluctuations. This is why unit trusts are considered medium- to long-term investments. We do not guarantee the performance of any investment.

- 9.2.4 Changes in the law.** Changes to financial and tax legislation may result in losses to you. We have no control over these changes and are not responsible for the impact they have on your investment.
- 9.2.5 Unauthorised access.** We are not responsible for any loss caused by unauthorised access to your account. For instance, we are not responsible if you fail to safeguard your username and password, disclose them to a third party, or fail to notify us immediately if there has been suspicious activity on your account.
- 9.2.6 Acting on valid instructions.** We are entitled to act on any signed instruction we receive. We are not responsible for any loss you may suffer as a result of such an instruction (e.g. if you did not authorise the transaction).
- 9.2.7 Lost communications.** We accept instructions via electronic communications (e.g. fax, email, or the website). We are not responsible if these communications do not reach us as a result of a network or device failure.
- 9.2.8 Acting on incorrect information.** We are not responsible if you suffer any loss because you did not provide accurate information or did not inform us when your information changed.
- 9.2.9 Impossibility.** PSG is not responsible for any loss that resulted from circumstances beyond our control (e.g. an act of God, a natural or man-made disaster, armed conflict, act of terrorism, riot, labour, economic or financial disruption). We may also refuse to price investments under these circumstances.

What do we mean by loss?

Loss includes any financial loss, loss of returns, claims by third parties, or expenses. The term includes both direct and indirect losses.

10. How to lodge a complaint

10.1 Please come to us first

If you are not satisfied with your investment or the level of service you have received from us, we would like the opportunity to assist you in resolving your complaint. You can contact our client services centre and we will follow our complaints resolution process. A copy of our process is available on request.

10.2 Contact the Ombud for Financial Services Providers (FAIS Ombud)

If you are not satisfied with the advice you have received from your financial adviser, you can contact the Ombud for Financial Services Providers.

Postal address: PO Box 7457, Lynnwood Ridge, 0040
Tel: 012 765 5000/012 470 9080
Fax: 012 348 3447/012 470 9097 / 086 764 1422
Email: info@faisombud.co.za
Website: www.faisombud.co.za

11. Contact us

Physical address: Building 1, The Ingress, Corner of Magwa and Lone Creek Crescents, Waterfall City, Waterfall, 2090, Gauteng, South Africa
Postal address: PO Box 61295, Marshalltown, 2107, South Africa
Sharecall: 0860 774 774
Email: clientservice@psg.co.za
Website: www.psg.co.za